

Fact Sheet: FY 06-07 EDU Increase

The Simsbury Water Pollution Control Authority increased the FY 06-07 sewer user charge at a public hearing on February 9, 2006 by \$90 for a total of \$290 per year per Equivalent Dwelling Unit (EDU). This very significant increase was required for the following reasons.

1. The construction of the upgraded wastewater treatment facility is scheduled for completion in January 2007. The new secondary treatment process is projected to begin operation in June 2006. With this start-up, the use of electricity will increase approximately 2.2 times. Coupled with this, the cost of power increased over 20% in 2006. The increased power consumption also moves the facility into a more expensive rate schedule.

The proposed FY 06-07 start-up budget is 33% higher than last year's. The proposed budget of \$1,851,932 covers the cost for the personnel, operation, and maintenance for the collection system and treatment facility. This budget also includes \$161,000 for capital projects.

2. Repayment of the 20 year, 2% construction loan from DEP is projected to begin October 2007. The current estimate for Simsbury's share of the repayment is \$813,000 per year. Avon and Granby will pay their proportionate share of the design and construction costs.
3. The modest reserves funds need to be retained to help fund planned capital projects and repair/replacement of existing equipment.

The facility upgrade was necessary for the following reasons.

1. The existing facility has been operating continuously for over 32 years without any significant capital improvements or equipment replacement. It has served very well, but the electrical and mechanical components are worn out.
2. The regulatory requirements currently require nitrogen removal and cannot be accomplished with the existing tankage. The nitrogen discharged acts as fertilizer in the Farmington River and downstream. This environmental improvement will have impacts locally and in Long Island Sound. The 2015 permit limit for Simsbury is 107 lb of Total Nitrogen (TN) per day. Currently, the discharge averages 350 lb of TN per day. Simsbury paid \$29,560 for the excess nitrogen discharged in 2005 with a permit limit of 157 lb TN per day. This cost will continue to increase for facilities that are not able to remove nitrogen. On the plus side, Simsbury will receive a small income for the nitrogen that is removed below the permit limit.
3. The treatment capacity was increased by 1 million gallons per day (MGD) to 3.8 MGD. Some of this capacity is to be used by Avon and Granby as their towns grow. Simsbury will use the additional capacity to complete the task of providing service to the rest of the homes in the Sewer Use Area.
4. The upgraded treatment facility will have an odor control system. In the past, there have been occasions when odors from the treatment facility could be detected in the surrounding area. Once the odor control system is operational, this will not be an issue.

In addition to income from the EDU charge, a Facility Connection Charge (FCC) provides a significant contribution toward the loan repayment. New subdivisions and other new construction currently pay \$4095 per EDU to connect to the collection system. This provides compensation for the past infrastructure investment that is being used by the new connection and for the investment in additional capacity required to accept the new connection. The estimated income from FCC charges for FY 06-07 is \$400,000.

Properties that currently have a sewer lateral available in the street, but have not connected, have until October 31, 2006 to obtain the connection permit. Those properties that do not connect in 2006 will be charged the FCC if they do connect in the future.

In summary, increasing the EDU charge to \$290 per year was done after considerable deliberation. The increase has been necessary because of the start-up of the upgraded treatment facility, increased energy costs, and initiation of repayment of the 20 year, 2% loan.